

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

November 9, 2006

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Harry Mathis called the meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Monroe moved to approve the minutes of the October 19, 2006, Board of Directors meeting. Mr. Emery seconded the motion, and the vote was 10 to 0 in favor.

4. Successful First Year of the Green Line – Senator Christine Kehoe *(Taken Out of Order)*

State Senator Christine Kehoe presented a resolution from the California Legislature commemorating the first anniversary of Green Line Trolley service and recognizing the positive impact this expansion of public transit has made in San Diego. She stated that the opening of the Green Line has increased overall ridership of the trolley system and has generated a new generation of users of public transportation. She highlighted that parking demand at San Diego State University has been reduced, for the first time in its history, by 2,000 cars per day.

Senator Kehoe stated that MTS has struggled against funding constraints and its reorganization, and deserves to be commended. The resolution recognized MTS for bringing smart public transportation alternatives to the San Diego region.

Senator Kehoe also advised the Board that there will be a hearing at Caltrans on Friday, November 17, to discuss the reorganization of the San Diego County Regional Airport Authority. She welcomed everyone to attend and also to pass their comments on to her (formally or informally), since one of the models that will be discussed is the structure of MTS and SANDAG. She stated that she was contemplating introducing legislation in January for the restructuring of the airport authority.

Chairman Mathis thanked Senator Kehoe on behalf of the Board and employees of MTS and stated that everyone at MTS is very proud of the work they do and realize the importance of public transportation. He also extended thanks for Senator Kehoe's efforts in support of Proposition 1B – Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. He stated that the passage of this ballot measure will make it possible for MTS to do more to benefit public transit.

3. Public Comment

Donna Erickson: Ms. Erickson reported that she attended a meeting on November 11, 2005, at H Street, for which MTS Planning staff were late because of vehicle problems. She stated that staff elected not to take the trolley to the meeting because of the numerous heavy materials they were carrying. She pointed out that many transit passengers also carry heavy loads and gave some examples. She reported that there are many of these types of passengers who are no longer riding the Route No. 25 shuttle because it is now overcrowded. She requested that 40-foot coaches be restored to bus service in Linda Vista.

Don Stillwell: Mr. Stillwell stated that bus and trolley services no longer make efficient connections at Mission San Diego.

Clive Richard: Mr. Richard expressed strong objections to the fact that he was precluded from participating in the Morena/Linda Vista opening as he did not become aware of this event until the day after it occurred. He stated that he preferred the right to choose whether or not to spend his time attending these types of events. He stated that he had been involved with MTS for 20 years, considers himself to be a friend of the agency and transit, and was not made aware of this event. He stated that the Trolley Access Advisory Committee, of which he is a member, should also have been invited to the event. Chairman Mathis stated that there was no intent to exclude Mr. Richard, and that, had MTS known that Mr. Richard and the Trolley Access Advisory Committee were unaware of the event, MTS would have taken steps to inform them.

CONSENT ITEMS

6. SDTI: LRV Vandalism and Accident Repair – Work Order (OPS 970.6)

Recommend that the Board of Directors authorize the President-General Manager to issue Work Order No. 07-02 under Contract No. C.O.011.0-05 to Carlos Guzman, Inc. for light rail vehicle accident and vandalism repair services for a cost not to exceed \$646,364.00, which would include \$250,000 for estimated services for the remainder of the current fiscal year and \$396,365.000 in ratified payments made in FY 06 and FY 07 under the base contract.

7. MTS: Transportation Management and Design, Inc. Contract Amendment (SRTP 805.1, PC 50451)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment (MTS Doc. No. G0939.4-05 – Attachment A of the agenda item) with Transportation Management and Design, inc. to increase the existing contract budget by \$22,000 (from \$600,000 to \$622,000) and encumber this additional \$22,000 into Work Task No. 8 (Financial and Implementation Plan).

8. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratify Actions taken by the SD&AE Railway Company Board of Directors at its October 24, 2006, Meeting (SDAE 710.1, PC 50771)

Recommend that the Board of Directors (1) Receive the San Diego and Imperial Valley Railroad, Pacific Southwest Railway Museum Association, and Carrizo Gorge Railway, Inc. quarterly reports (Attachment A of the agenda item); and (2) ratify actions taken by the San Diego and Arizona Eastern Railway Company Board of Directors at its meeting on October 24, 2006 (Attachment B of the agenda item).

9. MTS: CNG Hybrid Bus Demonstration Project (CIP 11171)

Recommend that the Board of Directors receive a report on the development of a compressed natural gas hybrid bus.

10. MTS: Closed-Circuit Television Project Update – Chula Vista and Spring Street in La Mesa (CIP 11166)

Recommend that the Board of Directors receive this report for information.

11. MTS: Renewal of San Diego Transit Corporation and San Diego Trolley, Inc. Operating and License Agreements (OPS 960.6, 970.6)

Recommend that the Board of Directors authorize the CEO to execute amendments (Attachments A and B of the agenda item) for the renewal of San Diego Transit Corporation and San Diego Trolley, Inc. operating and license agreements.

12. MTS: Workers' Compensation Audit Report (LEG 492, PC 50121)

Recommend that the Board of Directors receive this report for information.

13. MTS: SDTC Warranty Management Audit Report (LEG 492, PC 50121)

Recommend that the Board of Directors receive this report for information.

14. MTS: SDTI Warranty Management Audit Report (LEG 492, PC 50121)

Recommend that the Board of Directors receive this report for information.

15. MTS: Investment Report (FIN 310, PC 50601)

Recommend that the Board of Directors receive this report for information.

Recommended Consent Items

Mr. Ewin moved to approve Consent Agenda Items No. 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:21 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a); Tonantzin LeGrette v. SDTC, Gonzalez Jurado (Case No. GIC 857654)
- b. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Balfour Beatty/Ortiz v. MTS (Claim No. Unassigned)

- c. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Wooten (Case No. GIC 853080)
- d. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) (Stella Reed) (Claim No. Unassigned)

The Board reconvened to Open Session at 10:19 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

- a. The Board received a report and gave direction to outside counsel.
- b. The Board received a report and gave direction to staff.
- c. The Board received a report and gave direction to outside counsel.
- d. City of San Diego representatives were not present for the discussion of this item. The Board received a report.

NOTICED PUBLIC HEARINGS

25. There were no Noticed Public Hearings.

DISCUSSION ITEMS

There were no Discussion Items

REPORT ITEMS

45. SDTI: Padres Baseball 2006 Year-End Summary (OPS 970.12)

Mr. Tom Doogan, Special Events Coordinator, reviewed the 2006 year-end report for trolley service to Padres games at PETCO Park. He reviewed game attendance and ridership as well as gate percentage by game and month. During his discussion of gate percentage by game, he pointed out that there is a direct correlation between parking availability downtown and trolley ridership to the park. He also pointed out that there is a direct correlation between trolley ridership and attendance levels for the games. He then reviewed cost recovery statistics for this service.

Mr. Monroe stated that MTS was not very aggressive in pursuing a transit-oriented approach to the building of the ballpark downtown and suggested that MTS take a more proactive approach to achieving that end during discussions of the building of a new football stadium. Mr. Emery agreed with Mr. Monroe about MTS being more proactive in encouraging a transit orientation for the new stadium and added that having abundant parking available at a low cost discourages people from using public transportation.

In response to a question from Mr. Young, Mr. Peter Tereschuck, SDTI President-General Manager, stated that MTS works very closely with the Padres on joint marketing activities in an effort to boost both ridership on the trolley as well as attendance at Padres games. Mr. Doogan pointed out that trolley ridership decreased once 9,000 parking spaces became available after

the opening of the ballpark. Mr. Young requested that staff return to the Board with a report on marketing strategies for improving ridership for the 2007 season.

Mr. Clabby requested that staff provide the Board, via a separate memo, with ridership numbers related to the World Baseball Classic and the Rolling Stones Concert, which were held at PETCO Park. In response to a question from Mr. Lewis, Mr. Tereschuck reported that MTS has had discussions about combining season ticket sales with the sale of monthly passes for transit, but no decision has been made to do so.

Action Taken

Mr. Emery moved to receive this report for information. Mr. Monroe seconded the motion, and the vote was 10 to 0 in favor.

60. Chairman's Report

Chairman Mathis advised Board members that there will be a special Board meeting held on Thursday, November 16, 2006, at 9:00 a.m. in the Board room. The draft agenda for this meeting was passed out to the members of the board.

61. Chief Executive Officer's Report

California Transit Association (CTA) Annual Meeting: MTS Chief Executive Officer Mr. Paul Jablonski reported that he attended the CTA Annual Meeting in Long Beach on Wednesday, November 8, 2006.

Passage of Propositions 1A and 1B: Mr. Jablonski reported that the passage of these two propositions will be of benefit to MTS. He pointed out that Proposition 1A protects state sales tax revenues for transportation purposes from general-purpose use. He also reported that MTS should be able to expect about \$200 million in funding for infrastructure as a result of the passage of Proposition 1B. Mr. Jablonski stated that MTS, and especially Sharon Cooney, Director of Governmental Affairs and Community Relations, worked very hard with public officials to get a transit element added into this bond measure. He added that this funding will help MTS address its funding challenges for capital projects. He also stated that the SANDAG Transportation Committee has amended the TransNet Early Action Plan to include Blue Line and Orange Line rehabilitation projects. He stated that applications were made to include these items in an earlier version of the Early Action Plan but were rejected. He reported that funding from the bond measure can now be used to provide the local match for the Blue and Orange line rehabilitation projects. He stated that this funding does not solve all of MTS's capital challenges, but will help MTS avoid significant breakdowns in the short term.

62. Board Member Communications

Rehabilitation of Lindbergh Field: Mr. Rindone stated that, since it now appears that Lindbergh Field will be rehabilitated rather than relocated, staff should again initiate discussion with the airport authority regarding transit service to the front door of the airport.

Nominating Committee: In response to a question from Mr. Ewin, Ms. Lorenzen stated that staff will initiate contacts to set up the first meeting of the Nominating Committee.

Grossmont Trolley Station Joint Development Project: In response to a question from Mr. Ewin, Mr. Jablonski reported that four dates have been identified as possibilities for a groundbreaking

ceremony for this project. He stated that staff is working on coordinating everyone's schedule and identifying the best date. He stated that the most likely dates are December, 13, 14 or 21.

CEO's Report Synopsis: Mr. McLean requested a synopsis of Mr. Jablonski's comments about Propositions 1A and 1B that Board members could pass to their respective city councils and the media.

Ethics Training: Ms. Lorenzen advised Board members that there will be an ethics training class held in the Board room from 1:00 p.m. to 3:00 p.m. this day if any Board members are interested in attending.

Symphony Pops Reception and Performance: Chairman Mathis reminded everyone of this reception and performance and reported that he and Coca-Cola's Charles Simpson will be on the stage to make comments before the start of the performance.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next scheduled Board meeting will be Thursday, November 16, 2006, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 10:48 a.m.

Chairperson
San Diego Metropolitan Transit System
Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

gail.williams/minutes